

**Final Text of Proposed Amendments to
California Code of Regulations, Title 18, Section 1588**

1588. Seeds, Plants and Fertilizer.

(a) Seeds and Plants. Tax does not apply to sales of seeds, annual plants, and operative January 1, 1999, non-annual plants, the products of which ordinarily constitute food for human consumption or the products of which are to be sold in the regular course of the purchaser's business including fruit trees, berry vines, and grape rootlings or rootstock, or cuttings of every variety. Tax does not apply to sales of seed, the products of which will be used as feed for any form of animal life of a kind the products of which ordinarily constitute food for human consumption or the products of which are to be sold in the regular course of the purchaser's business.

(b) Fertilizer.

(1) Definition. The term "fertilizer" includes commercial fertilizers, agricultural minerals, ~~and manure, and carbon dioxide~~. The terms "commercial fertilizers" and "agricultural minerals" as used herein are defined in Sections 14522 (commercial fertilizer) and 14512 (agricultural minerals) of the Food and Agricultural Code. "Manure" means the excreta of any domestic animal or domestic fowl which is not artificially mixed with any material except a material which has been used for bedding, sanitary, or feeding purposes for such an animal or fowl or for the preservation of the manure. The term "fertilizer" does not include "packaged soil amendments" or "auxiliary soil and plant substances" as these terms are defined (with the exceptions noted below) in Sections 14552 (packaged soil amendments) and 14513 (auxiliary soil and plant substances) of the Food and Agricultural Code. For the purposes of this regulation, "manures sold without guarantees for plant nutrients" as described in Section 14552 of the Food and Agricultural Code are not packaged soil amendments and carbon dioxide is not an auxiliary soil and plant substance as that term is defined in section 14513 of the Food and Agricultural Code.

(2) Application of Tax. Tax does not apply to sales of fertilizer to be applied to land or ~~(including in foliar application)~~ the products of which are to be: (a) used as food for human consumption, (b) used as feed for any form of animal life of a kind the products of which ordinarily constitute food for human consumption, or (c) sold in the regular course of the purchaser's business.

When insecticides are mixed with fertilizer and the mixture sold, that portion of the total price allocable to the fertilizer may be excluded from the measure of the tax if the mixed product is applied to land or ~~(including in foliar application)~~ the products of which are to be: (a) used as food for human consumption, (b) used as feed for any form of animal life of a kind the products of which ordinarily constitute food for human consumption, or (c) sold in the regular course of the purchaser's business.

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Section 6358, Revenue and Taxation Code.